

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

NewBridge Bancorp

Point of Contact:	Dick Cobb (336) 369-0914	RSSD: (For Bank Holding Companies)	1076002
UST Sequence Number:	141	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	52,372,000	FDIC Certificate Number: (For Depository Institutions)	16799
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	December 12, 2008	City:	Greensboro
Date Repaid ¹ :	N/A	State:	North Carolina

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

Throughout 2009 and 2010, NewBridge Bank (the "Bank") continued to extend credit to facilitate economic activity in support of communities, businesses and consumers in our footprint. As such, the Bank recorded total loan originations of \$280.6 million in 2009 and \$378.5 million in 2010.

☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

Residential mortgage loans and small business loans.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

NewBridge Bancorp

☐
Increase securities purchased (ABS, MBS, etc.).

☐
Make other investments.

☐
Increase reserves for non-performing assets.

☐
Reduce borrowings.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

NewBridge Bancorp

☒ **Increase charge-offs.**

Specific impairments have largely been recognized in net charge-offs that total \$28.3 million for the twelve months ending 12/31/10. Net charge-offs for the twelve months ended 12/31/09 totaled \$35.7 million.

☐ **Purchase another financial institution or purchase assets from another financial institution.**

☒ **Held as non-leveraged increase to total capital.**

Despite another challenging year, NewBridge Bancorp's ("Bancorp") total risk based capital ratio at 12/31/10 was 13.13%. As of 09/30/08, the quarter-end immediately prior to Bancorp's receipt of CPP capital, Bancorp's total risk based capital ratio was 10.18%

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

NewBridge Bancorp

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

Without the receipt of CPP funds, the Bank would have needed to limit lending in an effort to preserve capital. In addition, Bancorp may have needed to seek other capital sources, either through instruments such as trust preferred securities, or by issuing additional common or preferred stock.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

NewBridge Bancorp

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

The Bank would not have been able to take aggressive action with our problem credits without the capital infusion of CPP funds. As a result of such actions, the Bank's management has been able to establish as its primary objective putting the adverse effects of the recession behind us as quickly as possible through early recognition of credit losses.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

NewBridge Bancorp

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.